MB Docket 02-277
01-235
01-317
00-244

EX PARTE OR LATE FILED ORIGINAL

RECEIVED

APR - 9 2003

Federal Communications Commission
Office of the Secretary

COMMENTS IN SUPPORT OF RETAINING THE BAN ON LOCAL NEWSPAPER/BROADCAST CROSS-OWNERSHIP

Jonathan Lawson, jonathan@indymedia.org
presented by Dewey Lawson, dtl@phy.duke.edu

before the Federal Communications Commission Field Hearing on Media Consolidation
Durham, North Carolina, March 31, 2003

Good afternoon. My name is Dewey Lawson. I'm a physicist by training, but I 've participated in discussions about the media and their role in our society throughout most of my life. My father Herman was a newspaperman who proudly devoted his career to achieving journalistic excellence in the small local newspaper for which he was an editor -- the Smithfield Herald in Johnston County, NC. My son Jonathan has spent the last several years in Seattle helping build the Independent Media Center network—a new experiment in civic journalism. The late Walter Spearman, the beloved teacher of journalism at the University of North Carolina once identified me as the disappointing generation in my family, for having strayed from journalism.

I'd like to thank Commissioners Copps, Adelstein and Martin for taking the time from their busy schedules to come out beyond the DC Beltway in order to hear public comments on media consolidation, especially given the ongoing war in Iraq, which competes for all our attention these days. But the issue before us has, I think, great bearing on our ability as citizens to witness and understand such events. Certainly Commissioner Copps was correct in saying that there is no issue of greater importance currently before the Commission—nor is there likely to be for some time.

The issue I wish to speak about today primarily concerns one of the ownership rules presently under review—the newspaper-broadcast cross-ownership ban. The largest media corporations have filed extensive comments calling for the dropping of this ban, and it's no wonder, given the financial rewards that many of them stand to gain if the barrier between broadcast and print journalism ownership—already highly porous—is altogether erased.

Commissioner Copps has called radio "the canary in the coal mine," referring to experiments with ownership deregulation under the 1996 Telecommunications Act, and rightly suggesting that the effects of extreme consolidation on the radio industry should provide a cautionary tale as the FCC considers further loosening of ownership limits.

Just as the Telecom Act provided a kind of test case on the effects of consolidation, the FCC should also find it instructive to take a close look at the Canadian experience of media ownership consolidation and newspaper-broadcast cross-ownership.

During the last decade, a series of corporate mergers, legal decisions and legislative choices produced a cascade of media consolidation in Canada, which has produced several clearly demonstrated ill effects, including:

- erosion of the crucial firewall between editorial and business concerns
- centralization of editorial control and loss of viewpoint diversity

No. of Copies rec'd 0+1
List A B C D E

- reduction of distinct regional voices [and]
- loss and degradation of journalists' jobs

During the 1990s, unhindered by ownership limits, Conrad Black's Hollinger Corporation was able to assemble a media empire including over 80 percent of all the English language dailies in Canada. Black was not a journalist by profession; his entry into the newspaper industry was a business decision. Describing journalists as "ignorant, lazy, opinionated, intellectually dishonest and inadequately supervised hacks," Black attempted to make his papers more profitable by gutting newsrooms by as much as 30 percent, and imposing his own editorial views upon his papers' editors.

Three years ago, financially beleaguered Hollinger was forced to sell off most of this empire—offering the Canadian government an opportunity to impose requirements on the industry to protect editorial independence, content diversity and cultural richness. Indeed, a chorus of academic media observers, media labor unions and federal legislators issued pleas for such action. However, no meaningful public process resulted, and attempts by a few legislators to protect these values were unable to stop the engines of consolidation.

The purchase, in the year 2000, of Southam Newspapers by CanWest Global, one of the country's largest cable television networks, would have been disallowed under current US rules. The sale quickly resulted in several cities being served both television and broadcast news from the same newsroom—a significant loss in viewpoint diversity both for cities and for smaller communities across the country. Wendy Lill, Member of Parliament from Dartmouth, Nova Scotia, commented: "there is more to freedom of the press than the freedom to own all the presses and control all the news, and yet it is reported that every morning there is a conference call between newsrooms at Southam and at Global TV to set the day's agenda for Canadians."

CanWest Global's cross-ownership of broadcast and print media allowed them to begin making use of print journalists as broadcasters—cutting news production costs by repeating and extending Conrad Black's old habit of reducing newsroom staffs. Editorial decisions which affected the newspaper chain now also affected TV coverage.

In Fall 2001, Southam Newspapers instituted a policy of "national editorials." Every paper in the chain is required to run these columns, and no local editorial board may contradict the viewpoints they set forth. The International Federation of Journalists observed that CanWest's newspapers "are being molded into a single voice for the company's national agenda… [the new policy] is a prime example of how quality journalism is at risk from powerful monopolies."

When news of this policy reached the Canadian Parliament, Winnipeg Center MP Pat Martin responded: "This loss of editorial independence is a direct consequence of the concentration of ownership in the media, and our worst fears are being realized by the laissez-faire attitude of the government toward the issue."

Here in the United States, despite already great consolidation, the public is offered some protection from media monopoly by the remaining FCC ownership rules—the rules we're discussing today.

The most likely result of dropping our cross-ownership ban would not be the creation of small, geographically-focused media firms sharing resources to create high-quality, regionally accountable content. Rather, such deregulation, combined with loosened broadcast ownership caps, would throw open the door to the expansion of already-huge national networks with the market power to choke out or absorb small competitors, with programming decisions emitted from centralized headquarters. (Imagine a faintly localized version of USA Today being the only newspaper and CNN the only TV or radio broadcast news source available to a community). Many journalistic jobs would be lost, and with them the local knowledge and accountability which ought to make our media truly diverse and responsive to community needs. Both the Canadian precedent and the experience of U.S. radio deregulation clearly indicate these likely outcomes.

The FCC needs to retain the existing ownership rules. Equally important, however, the Commission should shoulder its responsibility to articulate the importance of these rules, as embodiments of the FCC's mandate to preserve competition, viewpoint diversity and local accountability in service to the public interest. The public interest itself needs to be robustly defined as a living standard of responsibility, rather than pushed aside as an embarrassing relic from a past generation. The great social philosopher John Dewey noted that "The media's job is to interest the public in the public interest." I think that in the context of this debate, we must acknowledge that our national corporate media institutions have largely failed at that task, which should be a concern to the FCC.

When in the future the ownership rules are challenged in court by self-serving media conglomerates or the National Association of Broadcasters, the FCC should do its job by defending the rules, rather than adopting a disingenuously passive "wait and see" attitude as it has in the recent past.

In addition to retaining the existing rules, the FCC should, as a condition of license renewal, require demonstration of commitment to content diversity and local accountability from each broadcast outlet owned by a company controlling more than 10% of the market. Any purchases of newspapers or broadcast outlets over that threshold should be held to special scrutiny.

Finally, and I address this to our Congressional representatives present, the federal government should create tax incentives and other forms of assistance to help community groups, institutions and co-ops to reinvest in, and rebuild community ownership of, our means of expression.

The information pathways represented by the broadcast spectrum, cable, Internet and newspaper publishing are the very oxygen of our democracy. As this policy debate reaches its climax over the next few months, the Congress as well as the FCC should consider carefully the available evidence on the effects of previous experiments in media consolidation. It's difficult to get toothpaste back into the tube once it's squeezed out, or as Commissioner Copps said, the Genie back into the bottle—clearly now is the best time to strengthen communications policy with a commitment to democratic values. Thank you for your time.